

FILED

SEP 26 2016

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS & MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR
AGENCY ACTION OF UTAH DIVISION OF
OIL, GAS, AND MINING FOR A
CESSATION ORDER AND CIVIL
PENALTIES AGAINST MONTEZUMA
WELL SERVICES, INC., AND EARL
MARTINEZ, OWNER AND OPERATOR OF
THE MONTEZUMA CREEK WASTE
DISPOSAL FACILITY, SECTION 14, T 40
SO., R. 22 EAST, SAN JUAN COUNTY,
UTAH.

ORDER OF CONTINUANCE

Docket No. 2009-015

Cause No. WD-04-2009

This matter came on for hearing before the Utah Board of Oil, Gas and Mining ("Board") on Wednesday August 24, 2016 at 10:00 a.m. in the auditorium of the Utah Department of Natural Resources Building, 1954 West North Temple, Salt Lake City, Utah. The following Board members were present and participated in the hearing: Ruland J. Gill, Jr., Chair; Richard K. Borden, Michael R. Brown, Susan S. Davis, Chris D. Hansen, Carl F. Kendell, and Gordon L. Moon. Michael Johnson, Assistant Utah Attorney General represented the Board at the hearing. The matter was set for hearing to further review the Respondent's compliance with the August 25, 2010 Stipulation and Order in this matter.

The Utah Division of Oil Gas and Mining, was represented by Steve Alder, Assistant Utah Attorney General. Brad Hill, Permitting Manager, and Bart Kettle, Environmental Scientist, appeared as a witness for the Division. The Respondent was represented by Melvin Capitan Facilities Manager for Montezuma Well Service, Inc. Sonja Wallace, Environmental Compliance Manager and Chris Fausett, Resource Specialist, representing the School and Institutional Trust Lands Administration (SITLA) were in attendance and advised the Board that SITLA supported continuing the Stipulated Order for one additional year.

The Division's witness presented its written report documenting the Respondent's efforts to comply with the 2010 Stipulation and Order. The report demonstrated that despite difficult environmental conditions, lower demand and reduced income the operator had continued to make acceptable progress. The operator requested and the Division recommended continuation of the matter for one additional year with the same terms and conditions, except: Montezuma will provide tilling of materials in the Land Farm at least quarterly. Soil sampling and analysis will be reduced from biannually to annually and the sampling for land farm cells #11-17 will not commence until the June of 2017. The Board unanimously approved the motion to continue on those terms

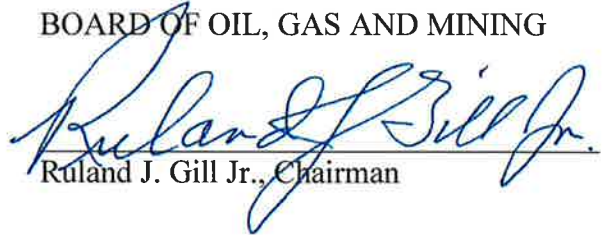
NOW THEREFORE, at the request of the Division, based on the testimony and evidence presented and being fully advised, the Board Orders as follows:

1. The Stipulation and Order will be extended except that Land Farm will receive quarterly tilling; and
2. Sampling and analysis will be reduced to annual obligation, and the parties will continue to comply with the terms thereof; and

3. The hearing of this matter is continued to the August 2017 Board Hearing at which time the Board will review the Respondent's compliance with Board's 2010 Order and take further action as appropriate.

DATED this 26th day of September, 2016.

BOARD OF OIL, GAS AND MINING

A handwritten signature in blue ink, reading "Ruland J. Gill Jr.", is written over a horizontal line. The signature is stylized with a large initial 'R' and a trailing flourish.

Ruland J. Gill Jr., Chairman

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing ORDER TO CONTINUE HEARING, for Docket No. 2009-015, Cause No. WD-04-2009 to be mailed with postage prepaid to the address shown and emailed, this 27th day of September 2016, to the following:

Earl Martinez
Personally and as President
Montezuma Well Service, Inc.
P.O. Box 540
Montezuma Creek, UT 84534

Melvin Capitan
Montezuma Well Service, Inc.
P.O. Box 540
Montezuma Creek, UT 84534

Sonja F. Wallace
Environmental Compliance Manager
Utah School and Institutional Trust Lands
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Trust Lands Resource Specialist
Utah School and Institutional Trust Lands
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Michael S. Johnson
Assistant Attorney Generals
Counsel for the Utah Board of Oil, Gas, and
Mining (hand-delivered)